

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN MIKE TAYLOR**, on March 20, 2001 at 8:00 A.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Mike Taylor, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Edward Butcher (R)
Sen. Vicki Cocchiarella (D)
Sen. Sam Kitzenberg (R)
Sen. Dale Mahlum (R)
Sen. Glenn Roush (D)
Sen. Don Ryan (D)

Members Excused: Sen. Dale Berry (R)

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Kyanne Kelly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 497, 3/17/2001; HB 537,
3/17/2001
Executive Action: HB 463; HB 537

HEARING ON HB 497

Sponsor: REPRESENTATIVE BILL PRICE, HD 94, LEWISTOWN

Proponents: Max Griffin, Action Electric
Mark Kredit, Kredit Electric
Travis Thrums, Representing himself
Marvin Wilson, Liberty Electric
David Greef, Representing himself
Jerry Lyford, State Plumbing Board
Jack McCleary, Action Electric
Scott Bergen, Central Plumbing & Heating
Mike Waldenberg, Central Plumbing & Heating
Doug Becker, Townsend Electric
Margaret Morgan, Independent Elec Contractors
Mike Christie, Christie Electric

Opponents: Keith Allen, IBEW 233
John Evankovich, Addson Electric
Dan Nickels, Tri-County Mechanical
John Forkan, Silver bow JATC
Jim Wolfe, Polar Electric
Brian Mackey, IBEW 233
Annette Smith, Tri-County Electric
Bob Pavlovich, IBEW 233
Colby Day, IBEW 768
Don Herzog, IBEW
Gary Pemble, MT Electrical JATC
Darrell Holzer, AFL-CIO
Gene Fenderson, Joint Heavy & Highway Commission
Dennis Iverson, National Electrical Contractors
Bill Bently, National Contractors Association
Con Sullivan, Silverbow Training Institute
Terry Wilson, Local 30 JRTC
Jerry Driscoll, Montana Building Trades

Informational Witness: Mark Maki, Apprenticeship Training Program

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 1.5}

REPRESENTATIVE BILL PRICE, HD 94, LEWISTOWN, said the intent of this bill is to continue the one to one ratio of journeyman to

apprentice in the one man shop, but to change the ratio in the bigger shops to two journeyman to one apprentice in the shop and one to one in the work place. He also said this bill would create good paying jobs and it offers a tremendous future for employment.

Proponents' Testimony:

Max Griffin, Action Electric, said this training ratio can be done safely. He also said that other states have these ratios and their Worker's Comp rates have not increased.

Mark Kredit, Kredit Electric, said this isn't about cheap labor, they want to train and keep the apprentices for a long time.

Travis Thrans, Representing himself, said he has been trying to get into an electrical apprenticeship for two years, and he would like to have it be more available.

Marvin Wilson, Liberty Electric, said he has had problems with the unions and it makes the waiver process difficult.

David Greef, Representing himself, said he wanted to become an electrical apprentice, but there are not enough journeymen in his area, this bill would make it more feasible for him.

Jerry Lyford, State Plumbing Board, said there simply are not enough licensed people out there to get the work done. He further stated that safety is not an issue when there is a journeyman supervising the apprentice on a one to one basis.

Jack McCleary, Action Electric, said there has been a continued shortfall of qualified plumbers and electricians.

Scott Bergen, Central Plumbing & Heating, said he has been an apprentice for over 2 years, and his salary has gone up, it is a good paying profession.

Mike Waldenberg, Central Plumbing & Heating, said he has 17 apprentices at his company. He said this bill would only make it ongoing what is already happening at his shop. They have a continuing waiver which is a two to one ratio and it is working fine. **EXHIBIT (bus63a01) EXHIBIT (bus63a02)**

Doug Becker, Townsend Electric, said he supports this bill.

Margaret Morgan, Independent Elec Contractors, said she supports this bill.

Mike Christie, Christie Electric, said he believes in training Montanans and keeping them in Montana working at good paying jobs.

Opponents' Testimony:

Keith Allen, IBEW 233, said there were at that time 45 union people who were out of work, so there is no shortage of workers. **EXHIBIT (bus63a03)** He said this is not a union/non-union issue.

John Evankovich, Addson Electric, said this bill would introduce unemployment to this state, there is not a shortage of workers now, there are journeymen who are out of work. **EXHIBIT (bus63a04)**

Dan Nickels, Tri-County Mechanical, said his main concern was for the kids who have chosen a career and the problem with the one to one ratio is that if you need to lay-off a journeyman, you need to lay-off the apprentices.

John Forkan, Silverbow Joint Apprenticeship and Training Committee, said when you lay-off apprentices they can't go to another state. He further stated this doesn't create a bunch of jobs, it replaces highly skilled journeymen with unskilled apprentices, so it is about economics.

Jim Wolfe, Polar Electric, said this is a bill about creating cheap labor.

Brian Mackey, IBEW 233, said increasing the number of apprentices will decrease the quality of work performed. He handed in written testimony from other apprentices. **EXHIBIT (bus63a05)**

Annette Smith, Tri-County Electric, said she is an apprentice and she likes the ratio the way it is today. She also handed in testimony from other apprentices. **EXHIBIT (bus63a06)**

Bob Pavlovich, IBEW 233, said this is a cat and dog bill and shouldn't be heard in this committee, there is a \$140,000 fiscal note.

Colby Day, IBEW 768, said there were currently 18 journeymen electricians out of work and if this bill passed there would be more people out of work. **EXHIBIT (bus63a07)**

Don Herzog, IBEW, said there have been 30 electricians out of work this past year, they had to go out of state to find work.

Gary Pemble, MT Electrical JATC, said there is no shortage of workers, in fact, there are workers who are unemployed. The ratio of three to one is more safe.

Darrell Holzer, AFL-CIO, said he opposes this bill. He said it takes three journeymen to train the apprentice, they are not just supervising him.

Gene Fenderson, Joint Heavy & Highway Commission, said he opposes this bill.

Dennis Iverson, National Electrical Contractors, said this should not be put in statute, it is an industry standard.

Bill Bently, National Contractors Association, said he opposes this bill.

Con Sullivan, Silverbow Training Institute, said the ratio at present is tried and true and it works.

Terry Wilson, Local 30 JRTC, said he opposes this bill.

Jerry Driscoll, Montana Building Trades, said he opposes this bill.

Informational Witness: Mark Maki, Apprenticeship Training Program, said he was available for answering questions. He said the current ratios were originally established by collective bargaining.

Questions from Committee Members and Responses:

SENATOR VICKI COCCHIARELLA asked for clarification of the present ratio.

Mark Maki said the first apprentice can be one to one, the second apprentice would have to have 3 journeymen. So to have four apprentices you would need to have four journeymen.

SENATOR COCCHIARELLA asked if that ratio could be changed.

Mark Maki said yes they could ask for a ratio waiver.

SENATOR DON RYAN asked why they turned away journeymen.

Marvin Wilson said it was because they were seeking apprentices at the time.

SENATOR RYAN asked if they advertised because they wanted to train people or because they wanted the work to be done.

Marvin Wilson said they were under their apprentice/journeyman ratio and they were looking to train an apprentice.

SENATOR RYAN asked how many people had become journeymen through the JATC program the past ten year.

Mark Waldenberger said six.

SENATOR RYAN asked if the budget for the state was \$140,000 a year.

Mark Maki said yes.

SENATOR RYAN asked how many people have become journeyman in the past 10 years.

Mark Maki said around 1700. Both Union and Non-Union. He said that there is not so much difference between union & non-union in completion of program.

SENATOR GLENN ROUSH asked how the current ratio was determined.

Mark Maki said it was from collective bargaining and it has become a standard used since 1974.

SENATOR ROUSH asked if there was a shortage of workers in these trades in Montana.

Mark Maki said there may be a shortage of trained people, but there is also a shortage of people willing to train.

SENATOR ROUSH asked if there was a trend in Montana where apprentices get trained for 2-3 years and then there is not work for them.

Mark Maki said they are keeping them on the job more now.

SENATOR DALE MAHLUM asked if there are too many apprentices in the market now.

Mark Maki said there is not too many apprentices at this time.

SENATOR COCCHIARELLA asked what the Work Comp rates are in Montana.

Max Griffin said the rate is about seven across the board.

SENATOR ED BUTCHER asked how they would assure safety on the job

Marvin Wilson said they have a full time safety inspector, weekly safety meetings, they invest over \$100,000 a year in safety.

SENATOR RYAN asked about the documentation for apprentice training.

Mark Maki said apprentices keep hour books, how much time, and what they worked on and it is signed off by the journeyman.

SENATOR ROUSH asked how many apprentices and journeymen are currently laid off.

Mark Waldenberg said they only have one laid off, but the worker requested it and is doing his national guard duty.

CHAIRMAN MIKE TAYLOR asked if this law is similar to the neighboring states.

Mark Maki said yes.

Closing by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 24.5}

REPRESENTATIVE BILL PRICE, HD 94, LEWISTOWN, said apprenticeship is a primary training tool to get qualified people in Montana. The training of apprentices is the responsibility of business people and it would help this training program to change the ratio.

EXECUTIVE ACTION ON HB 463

Discussion: **CHAIRMAN TAYLOR** had a concern that if the Unemployment Insurance were opened up for this program then there would be other programs that would want to tap into this program. **SENATOR MIKE SPRAGUE** asked if crime control had any money to deal with this problem. **Jim Oppendahl**, Board of Crime Control said there wasn't any money available for this. **SENATOR TAYLOR** asked how many people would be eligible to apply for this program. **Jim Oppendahl** said about 7,000, although that might be a little high.

SENATOR TAYLOR asked if there is a way to put a cap on this program. **Kevin Braun** said yes for the number of weeks of benefits. **CHAIRMAN TAYLOR** asked about a realistic number of people who might apply for this program. **Kevin Braun** said he didn't know. **SENATOR COCCHIARELLA** asked how much money was in the unemployment fund. **Kevin Braun** said the current trust fund balance was 165 million dollars. **SENATOR MAHLUM** said people who need this benefit need it right away, not with some kind of waiting period. No executive action taken, only discussion.

HEARING ON HB 537

Sponsor: **REPRESENTATIVE PAUL SLITER, HD 76, SOMERS**

Proponents: **Jan VanRiper, State Auditor's Office**
 Roger McGlenn, Independent Insurance Agents

Opponents: None

Opening Statement by Sponsor:

{Tape : 3; Side : A; Approx. Time Counter : 7.1}

REPRESENTATIVE PAUL SLITER, HD 76, SOMERS, said this bill would change the surplus necessary for the State Farm Mutual Insurers to \$200,000 for a state insurer, and \$50,000 for a county insurer because of the changes in section 4. He stated that this deals with the solvency of the insurer.

Proponents' Testimony:

Jan VanRiper, State Auditor's Office, said this bill expands the kinds of insurance in places where farm mutuals operate so they can be in competition with the other insurances companies.

Roger McGlenn, Independent Insurance Agents, said he supports this bill and the amendments.

Opponents' Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

{Tape : 3; Side : A; Approx. Time Counter : 14.9}

REPRESENTATIVE PAUL SLITER, HD 76, SOMERS, closed without comment.

EXECUTIVE ACTION ON HB 537

Motion/Vote: SEN. MAHLUM moved that HB 537 BE CONCURRED IN.
Motion carried unanimously.

ADJOURNMENT

Adjournment: 10:15 A.M.

SEN. MIKE TAYLOR, Chairman

KYANNE KELLY, Secretary

MT/KK

EXHIBIT (bus63aad)